Intensive In-Home Autism Services Management Options
July 12, 2004

This paper outlines several options available under federal Medicaid requirements. These are just some of the various approaches to meeting these requirements and are intended as a starting point for discussion.

Option 1 - Cash and Counseling

Description: Pursue approval for a new waiver from the Centers for Medicare and Medicaid Services (CMS) that permits families to manage their budget for services after an initial assessment and authorized budget is established, as well as counseling related to understanding various service and support options. This model is called Cash and Counseling. This would involve submitting an Independence Plus 1915 (c) or home and community-based (HCB) waiver. If approved, this model would allow greater flexibility and choice to consumers than many other Medicaid funded programs. Cash and Counseling would allow consumers the ability to manage a monthly allowance of funds determined through an assessment of the individual's level of care. The basic principles of Cash and Counseling are person-centered planning, consumer-directed individualized budgets, client supports for self-direction (e.g., financial management and counseling), and quality assurance and improvement. Medicaid requires that states meet all federal requirements, including the Independence Plus waiver requirements when utilizing this option.

The core requirements of this option are as follows:

- Use of person-centered planning processes that include the participant and any other individuals identified by the participant to develop a mix of services and supports that assist in the achievement of personal outcomes.
- Development of a methodology for individual budgeting that reflects service utilization and cost data as well as the needs of the participant. The budget must be open to review and possible modification at regular intervals or at the request of the participant.
- Provision of supports to individuals to enable them to develop, implement and manage the services identified in the individual budget. These include fiscal management support, assistance with hiring, firing, and supervision, as well as care managers to arrange for providers and supports.
- Use of the CMS Quality Framework and other quality assurance and improvement techniques to address quality in the program. The states must create effective systems for incident management, systems to ensure individual back-up plans and a system for statewide back up.
- The Counseling aspect of this service fulfills the case management requirements. The intent of this counseling is to assure participant health and welfare, as well as quality of care.

Cost Factors:

- The two major administrative costs connected to this approach are the counseling requirements and the fiscal agent who handles payroll and makes payment on behalf of the consumer.
- There are state level administrative costs and staffing needs in order to assure that all of the counseling and monitoring criteria are met. States that piloted this approach had average costs of 10% administration.
- CMS requires that each person be assessed initially and reassessed annually. The average time to conduct an initial screen using the Children's Long Term Support Functional Screen is about 3.5 hours. This might be somewhat longer when adding criteria to identify children

eligible for intensive autism treatment services. The average cost is approximately $280 for each assessment. With a caseload of 1,500, the annual cost of assessment would be $420,000 per year.

- There is a potential conflict of interest issue in having the counselors assess participants and enroll them in the program. Other states created separate assessment/enrollment processes. Wisconsin has a newly developed tool, the Children's Long-Term Support for the purpose of level of care. The Department could add data elements related to establishing eligibility for intensive autism services to address this issue. This would cost approximately $100,000 .
- The Department would have to make modifications to the Medicaid payment system to automate of the enrollment, service authorization and payments for services.
- Federal Quality Assurance requirements would cost approximately $125 per child based upon other state's experiences. Wisconsin would be expected to have 1,500 children in this program, thus the annual cost of quality assurance for the program would be approximately $187,500 per year.

Benefits of Approach:

- This option offers the least amount of case management under Medicaid requirements and permits families to self-direct supports to the maximum consistent with program and Medicaid regulations, as well as available funding. Specific levels of training and experience for counselors can be defined.
- Families choosing or needing more case management could be permitted to access these supports from their budget or, alternatively, they could be given a slightly higher budget to provide for increased case management/support, in addition to services to meet the child's treatment needs.
- This system could be managed through a Request for Proposal (RFP) contracting process, although some eligibility functions may need to remain with DHFS under Medicaid regulations.
- This system affords a great deal of flexibility in services selected and the rate paid for services.

Limitations of Approach:

- Families could select non-treatment-focused services and thus reduce long-term benefits that early and intensive autism treatment may provide.
- There would be limited focus on local supports and service development.
- The Cash and Counseling demonstrations in other states only included personal care and related services so there are no other states with experience in using this approach for treatment oriented and other long-term support services.
- Federal requirements for statewide back up and incident reporting under the Independence Plus waiver template are burdensome.

Option 2 – State Level Operation of the Waiver

Description: The Department could assume management of the existing waivers on a statewide basis using a contracted agency or group of contracted agencies. State functions would include eligibility decisions and budget setting, as well as annual reevaluations. Contracted agencies would then provide limited case management focused on establishing service plans and provision

of services included in each families' plan. Once services are in place, the contracted agency would only intervene on an as needed basis. Quality assurance and improvement could be handled directly by the Department or through a contract with an External Quality Review Organization (EQRO). This option could evolve into a managed care contract with a capitated rate per child at some point in the future if desired. This capitated rate could then include services as well as all administrative functions.

Cost Factors:

- The Department would continue to manage eligibility and rate setting directly within available budget and staff resources. The Department could add data elements related to establishing eligibility for intensive autism services. This would streamline this aspect of the process. This would cost approximately $100,000.
- The Department would have to retain approximately 5% of the budget to provide independent quality (EQRO) oversight of the contracted agency.
- The Department would also have to make modifications to the Medicaid payment system to automate enrollment, service authorization and payments for services.

Benefits of Approach:

- Case management services could be kept to a minimal level.
- The specifically defined intensive in-home autism treatment services, as well as other specific services under the waiver at the ongoing level of supports would remain in effect.
- The Department would be able to specify rates for services, contract requirements and payment methods assuring statewide consistency. This could include a specific level of training and experience for case managers.
- The Department establishes and monitors the contract standards with the contracted agency and the EQRO for quality evaluation.

Limitations of Approach:

- Payments for a variety of services and service providers could be complex to administer at the state level. These functions could potentially be delegated to the contracted agency.
- Contracted agencies will have administrative costs as well. These costs could be limited through a capitated rate for all contracted functions.

Option 3 – Revised County Managed System - Support/Service Coordination as a Waiver Funded Service

Description: Many of the early concerns about this approach were most likely related to the rapid transition of services to the waivers. Specific changes could be made to the current model of waiver operation to address remaining issues. The Department of Health and Family Services (DHFS) could continue to contract with county agencies for the full costs of services plus administration and case management. The county agency could continue to handle all day-to-day operations and fulfill the Medicaid Waiver requirements and assurances. The Department would continue to establish eligibility and approved hours.

Possible Variations:

- Limit the hourly rate counties can charge and/or limit the number of hours of service they can claim related to case management services.

- Define tiers of support and service coordination based upon a risk/need assessment and limit costs claimed according to these tiers.
- Provide families information regarding their choice to request minimal service coordination with only CMS required initial annual assessments and plans.
- Require specific training and expertise as well as on-going support for case managers.
- Require standard contract language and requirements.

Cost Factors:

- 7% administrative cost to the County Agency. The total cost for administrative charges is approximately $1.8 million over the biennium.
- Case management fees could be limited to a set rate such as $75/hour. At an average intake and preliminary plan development of 3.5 hours is used for 1,500 children, this would be an annual cost of $393,750 all funds.
- Families needing additional case management would add costs; however, a limit on the rate could control costs.

Benefits of Approach:

- Families have access to a local professional who is knowledgeable about the community resources as well as other benefits for which the child and family may qualify, including direct coordination with other county programs and resources.
- Specialized training and experience requirements could address concerns about the knowledge and experience of case managers with autism spectrum disorders.
- A review of each provider's qualifications, as required by the federal Medicaid Waivers, occurs at the local level and can increase access to providers of all services.
- The county staff have an incentive to provide high quality and responsive services and supports to prevent more costly services such as out-of-home placement for children.
- This approach is consistent with the operation of all other waiver and long-term support services in Wisconsin.
- This approach provides direct oversight of services delivered by a provider and also creates a method for authorizing service levels and costs reimbursed under the waiver.
- Standard rate setting and contract requirements would address concerns about statewide consistency.
- Family Directed Supports are an available service option under the waiver giving families maximum flexibility and choice, including a waiver of support and service coordination, except for the annual CMS review requirements.

Limitations of Approach:

- It may be challenging to develop staff with in-depth autism expertise, especially in small counties with a limited number of hours available for case management.
- Counties may not be able to meet their actual costs for this service, if the reimbursement rate for Case Management is lowered.
- Counties would have an additional administrative burden, as the services are billed separately and using different payment and contract methodologies.